

On January 1st, 1928, at 104% and accrued interest;

On January 1st, 1929, at 103% and accrued interest;

On January 1st, 1930, at 102% and accrued interest;

On January 1st, 1931, at 101% and accrued interest; or at any annual payment date thereafter at par and accrued interest, and said bonds are to be negotiable by delivery, except as therein otherwise provided; that the principal and interest thereof, when due, be payable in gold coin of the United States of, or equal to, the present standard of weight and fineness, without deduction for any United States, State, Municipal or other tax or taxes which the said Company may be required to pay or deduct therefrom under or by reason of any present or future law. The said Company hereby agrees to pay or refund to the holder thereof the nominal federal income tax not to exceed two percentum or to further pay the refund to the resident holder thereof, all taxes, assessments, or governmental charges which shall or may be authorized upon or against said bond or the resident holder thereof as hereinafter specifically set forth.

That a sinking fund be created to be applied to the payment of said bonds at maturity and that suitable provision be made for the redemption thereof by allotment or otherwise at the option of the Company before maturity; and

BE IT FURTHER RESOLVED, that the Board of Directors be and they are hereby authorized, requested, and directed to secure the issue or issues of said bonds by a mortgage or deed of trust upon the property of the Company as specifically described in the mortgage or deed of trust.

To this end the Board of Directors or proper officers of said Company are hereby authorized and requested to proceed as rapidly as possible with the preparation and execution of said bonds and mortgage or Deed of Trust, and to execute all instruments, papers or documents necessary thereto, and to take such other action of every kind or nature in the premises as will enable them to fully consummate the purpose and intent of this resolution; all matters of substance, form, procedure and detail being left, except as qualified or limited by the foregoing provisions, entirely to the discretion and judgment of said Board of Directors, and finally,

BE IT FURTHER RESOLVED, that the said Board of Directors be, and they are, hereby authorized to hypothecate, sell or dispose of said bonds, and to use same in payment of contracts, or for labor or for material and the like, in such manner as they may deem to the best interests of the Company, its stockholders and creditors, and as shall not be inconsistent with the provisions or limitations hereinabove specified; and

WHEREAS, at a meeting of the Board of Directors of CAROLINA MOUNTAINS, INCORPORATED, duly called and held on November 20, 1925, at which meeting all of the Directors were present, the foregoing resolutions of the stockholders were read and duly considered, and upon motion duly made and seconded, said resolutions of the stockholders were in all respects adopted as and for the resolutions of the Directors; and upon motion duly made and seconded it was

FURTHER RESOLVED, that the Board of Directors proceed at once to make an issue of bonds in accordance therewith in the sum of one million, five hundred thousand dollars (\$1,500,000.00) divided into 1500 bonds for the principal sum of one-thousand dollars (\$1,000.00) each, numbered from 1 to 1500, inclusive, together with suitable interest coupons attached thereto to be known as its seven per cent. (7%) first mortgage ten year gold Sinking Fund bonds to be dated January 1st, 1926, and all of the bonds to mature on January 1st, 1936, to bear interest at the rate of 7% per annum from date, payable semi-annually, on the 1st days of July and January in each and every year; both principal and interest payable in gold coin of the United States of, or equal to, the present standard of weight and fineness; the aggregate principal amount of said bonds at any one time outstanding not to exceed one million five hundred thousand dollars (\$1,500,000.00) and all of said bonds to be issued under and equally secured by a mortgage or deed of trust upon the real estate and other property of the said corporation, specifically described in said deed of trust or mortgage, and that said issue be sold or disposed of or hypothecated or used in payment of all the indebtedness existing at the time of the execution of said mortgage and for the building and equipping of buildings now in the process of construction or hereinafter to be constructed and for other purposes of the Company in connection with the development of said land and the paying of its present indebtedness and for working capital, as the best interests of the Company may require; that a Sinking Fund be created to be applied to the payment of said bonds at maturity and suitable provisions be made for the redemption thereof by allotment or otherwise at the option of the Company before maturity and for the release of portions of said land from the lien of said deed of trust or mortgage prior to the maturity and redemption of said bonds;

WHEREAS, this Board has prepared a mortgage or deed of trust, bond, coupon and certificate of the trustee to be endorsed on said bond,

THEREFORE, BE IT FURTHER RESOLVED, that said mortgage or deed of trust, bond, coupon, and certificate of the Trustee so prepared be, and are, hereby approved, and said mortgage or deed of trust, bond and coupon are adopted as the mortgage or deed of trust, bond and coupon of this Company; and

BE IT FURTHER RESOLVED, that the President, or Vice-President, and Secretary of this Company be, and they are hereby duly authorized and directed to execute said mortgage or deed of trust, bond and coupon, and